



# Fiscal 2021 – 2<sup>nd</sup> Quarter Results

Earnings Conference Call Supplement

Thomas Salmon  
Chairman and CEO

Mark Miles  
CFO

Tuesday, May 4, 2021

*'Always Advancing to Protect What's Important'*



# Safe Harbor Statements and Important Information



## Forward-Looking Statements

Statements in this presentation that are not historical, including statements relating to the expected future performance of the Company, are considered “forward looking” within the meaning of the federal securities laws and are presented pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “would,” “could,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “projects,” “outlook,” “anticipates” or “looking forward,” or similar expressions that relate to our strategy, plans, intentions, or expectations. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates, and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are disclosed under “Risk Factors” and elsewhere in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission, including, without limitation, in conjunction with the forward-looking statements included in this presentation. All forward-looking information and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include: (1) risks associated with our substantial indebtedness and debt service; (2) changes in prices and availability of resin and other raw materials and our ability to pass on changes in raw material prices to our customers on a timely basis; (3) risks related to acquisitions or divestitures and integration of acquired businesses and their operations, and realization of anticipated cost savings and synergies; (4) risks related to international business, including as a result of the RPC transaction, including foreign currency exchange rate risk and the risks of compliance with applicable export controls, sanctions, anti-corruption laws and regulations; (5) uncertainty regarding the United Kingdom’s withdrawal from the European Union and the outcome of future arrangements between the United Kingdom and the European Union; (6) reliance on unpatented proprietary know-how and trade secrets; (7) the phase-out of the London Interbank Offered Rate (LIBOR), or the replacement of LIBOR with a different reference rate or modification of the method used to calculate LIBOR, which may adversely affect interest rates; (8) increases in the cost of compliance with laws and regulations, including environmental, safety, anti-plastic legislation, production and product laws and regulations; (9) employee shutdowns or strikes or the failure to renew effective bargaining agreements; (10) risks related to disruptions in the overall economy and the financial markets that may adversely impact our business, including as a result of the COVID-19 pandemic; (11) risk of catastrophic loss of one of our key manufacturing facilities, natural disasters, and other unplanned business interruptions; (12) risks related to the failure of, inadequacy of, or attacks on our information technology systems and infrastructure; (13) risks related to market acceptance of our developing technologies and products; (14) general business and economic conditions, particularly an economic downturn; (15) risks that our restructuring programs may entail greater implementation costs or result in lower cost savings than anticipated; (16) ability of our insurance to fully cover potential exposures; (17) risks related to future write-offs of substantial goodwill; (18) risks of competition, including foreign competition, in our existing and future markets; (19) new legislation or new regulations and the Company’s corresponding interpretations of either may affect our business and consolidated financial condition and results of operations; (20) risks related to the impact of travel and safety restrictions related to the COVID-19 pandemic, including on our internal controls over financial reporting and the ongoing process of implementing standardized internal control procedures within the recently acquired RPC business; and (21) the other factors discussed in the section titled “Risk Factors” in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this presentation may not in fact occur. Accordingly, readers should not place undue reliance on those statements. All forward-looking statements are based upon information available to us on the date of this presentation. All forward-looking statements are made only as of the date of this presentation and we undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

**This presentation should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the related notes thereto included in our public filings.**

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures such as operating EBITDA, adjusted EBITDA, adjusted net income, free cash flow, and Supplemental Unaudited financial information intended to supplement, not substitute for, comparable measures under generally accepted accounting principles (GAAP). Information reconciling forward-looking operating EBITDA is not provided because such information is not available without unreasonable effort due to the high variability, complexity, and low visibility with respect to certain items, including debt refinancing activity or other non-comparable items. These items are uncertain, depend on various factors, and could be material to our results computed in accordance with U.S. GAAP. Our estimates of the impact of COVID-19 are based on product mix and prior internal sales estimates compared to actual sales. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided in our earnings release, presentations, and SEC filings. For further information about our non-GAAP measures, please see our earnings release, SEC filings and supplemental data at the end of this presentation.

## No profit forecast

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of RPC or the combined business following the completion of the combination, unless otherwise stated.

## Website Information

We often post important information for investors on our website, [www.berryglobal.com](http://www.berryglobal.com), in the “Investor Relations” section. We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations, and webcasts. The information contained on, or that may be accessed through our website, is not incorporated by reference into, and is not a part of this document.

## LTM Information

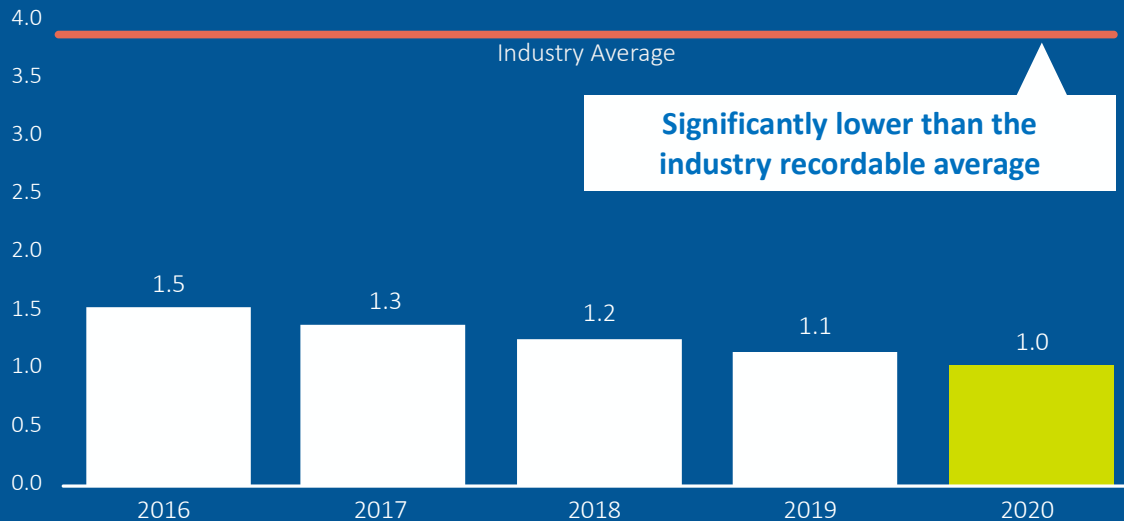
LTM information presented herein is the Last Twelve Months of reported information as of the date represented.

Certain information included in this presentation has been sourced from third parties. Berry does not make any representations regarding accuracy, completeness or timeliness of such third party information. Permission to cite such information has neither been sought nor obtained.

# Safety

*"Safety doesn't happen by accident"*

Never Ending Commitment to Identifying, Managing, and Eliminating Risk



➤ Our **#1 priority** and **core value** is the health and safety of our people

# Environmental, Social & Governance



- **>85%** of resin procured for our fast-moving consumer good packaging products are reusable, recyclable, or compostable



- First N.A. headquartered plastic packaging converter to have a **1.5** degree Celsius target validated by the Science-Based Target Initiative
- Reduced market-based greenhouse gas emissions by **19%** since 2016, well on our way to our 'Impact 2025' goal of 25% greenhouse gas emissions reduction



- Committed to ensuring that each Berry team member has the opportunities to continually grow their skills and career

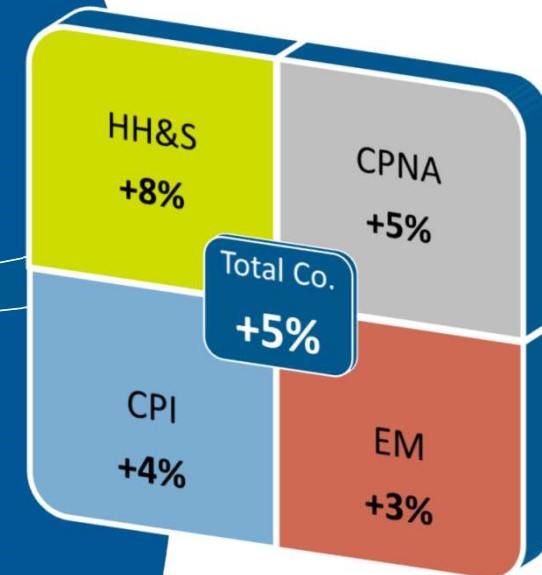
# Quarterly Highlights

## 1. Strong second quarter

- Quarterly records for any period for operating EBITDA, revenue & Adj. EPS
- Organic volume growth of **+5%**
- Adjusted EPS growth of **34%**
- All four segments delivered volume growth

## 2. Further strengthened balance sheet; Net debt to EBITDA – 4x

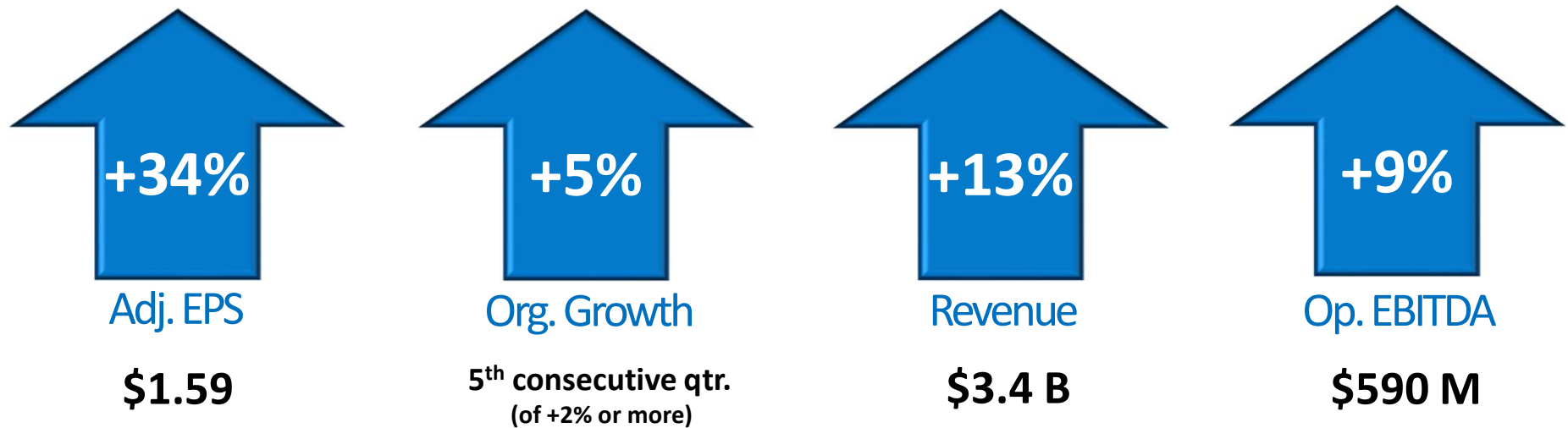
## 3. Raising full year operating EBITDA (**+\$50 M**) from previous guidance mid-point; Increasing organic volume growth assumption to **+5%**



***Strong Confidence in Continued Organic Volume Growth***

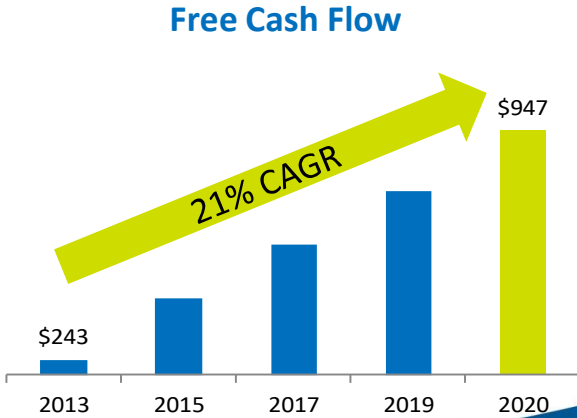
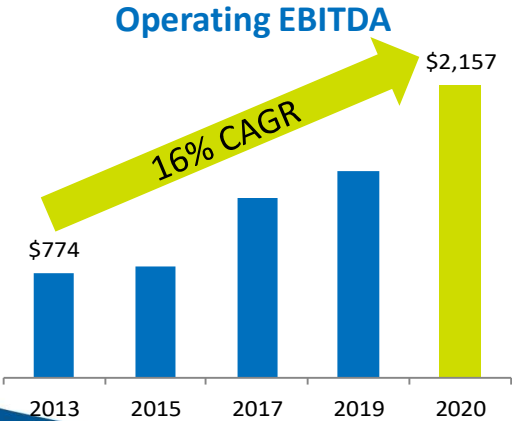
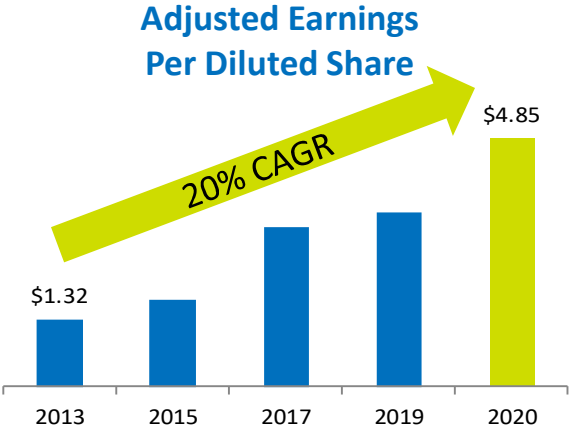
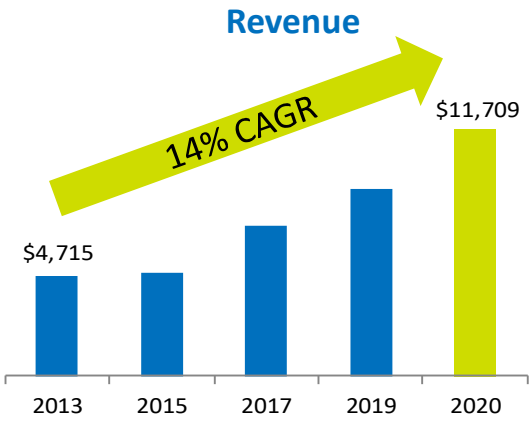


# Outstanding Fiscal Q2 Results



*Strong organic growth along with further debt reduction; Raising Outlook*

# Strong Financial Performance Track Record



# Quarter Highlights – By Segment

## Consumer Packaging - International

	Second Fiscal Quarter		YoY%
	2021	2020	
Net Sales	\$ 1,060	\$ 970	9%
Operating EBITDA	186	166	12%

- Volumes **+4%** driven by strength in grocery and continued recovery of markets impacted negatively by COVID-19
- Synergy realization, foreign currency translation, and productivity partially offset by lag in passing through cost inflation

## Consumer Packaging - North America

	Second Fiscal Quarter		YoY%
	2021	2020	
Net Sales	\$ 731	\$ 633	15%
Operating EBITDA	133	133	0%

- Volumes **+5%** driven by strength in grocery and consumer-centric end markets
- Productivity offset by lag in passing through cost inflation

## Health, Hygiene, & Specialties

	Second Fiscal Quarter		YoY%
	2021	2020	
Net Sales	\$ 781	\$ 644	21%
Operating EBITDA	157	113	39%

- Volumes **+8%** driven by strength in healthcare markets, growth investments, recovery in the B&C markets
- Favorable product mix and productivity

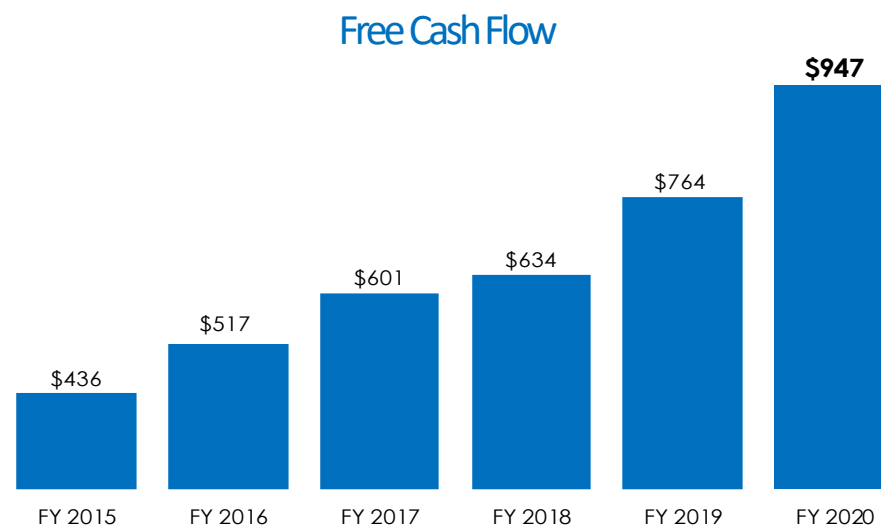
## Engineered Materials

	Second Fiscal Quarter		YoY%
	2021	2020	
Net Sales	\$ 798	\$ 728	10%
Operating EBITDA	114	127	-10%

- Volumes **+3%** driven by strength in consumer films, including snacking and e-commerce end markets and continued recovery in certain markets
- Productivity negatively impacted by the weather in the southern part of U.S. and lag in passing through cost inflation

# Free Cash Flow

	LTM Mar. '21
<b>Operating EBITDA</b>	<b>\$ 2,296</b>
Capital expenditures	(684)
Cash interest expense	(353)
Cash income tax expense	(336)
Working capital, restructuring & other	28
<b>Free cash flow</b>	<b>\$ 951</b>



*Exceeded free cash flow guidance every year*



# Raising Operating EBITDA Guidance for FY 2021

## Fiscal 2021 outlook and strategy

Operating EBITDA\* **\$2.25 Billion**

(increase of \$50M from FQ1 range midpoint)  
(previously \$2.175B - \$2.225B)

### Continued Focus

- ✓ Organic growth (raising to **+5%** for FY'21)
- ✓ Leader in Sustainability
- ✓ Strengthening balance sheet (expect to be in our targeted range by the end of FY '21)

Free cash flow **\$875M - \$975M**

*Anticipate operating, longer-term, in a leverage range of 3.0 to 3.9 times*

# Multiple Organic Growth Drivers

## Faster growth markets

Portfolio Shift  
% of total sales

2013



2020



Health & Wellness  
E-commerce  
Food safety / barrier



## Emerging markets

Portfolio Shift  
% of total sales

2013



2020



Asia  
South America  
Mexico  
Africa  
Eastern Europe




*“Emerging markets could grow around twice as fast as advanced economies on average”*

# Multiple Organic Growth Drivers

## Sustainable Solutions



- Light-weighting
- Post-consumer recycled material
- Advanced recycling
- Compostable or bio-based

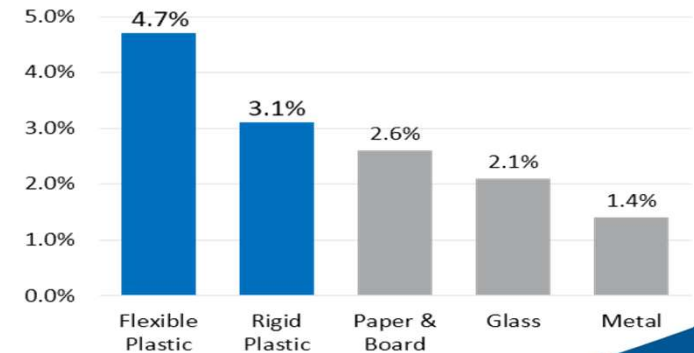
Unpackaged	Shelf Life	Packaged	Shelf Life
 Cucumbers	<b>3</b> Days	 Cucumbers	<b>20</b> Days
 Bell Peppers	<b>4</b> Days	 Bell Peppers	<b>20</b> Days
 Bananas	<b>20</b> Days	 Bananas	<b>36</b> Days

## Secular Growth Substrate



- Durability
- Lowest carbon footprint
- Light-weight
- Recyclability
- Design versatility
- Clarity

Global Growth Rates by Packaging Type



Source: Smithers Pira and R.W. Baird estimates

# Taking Action : E-commerce and Sustainability

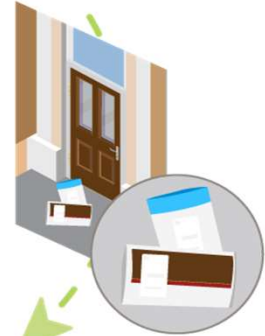
**New Film is Manufactured**  
Berry's enhanced film manufacturing lines support a range of recycled and renewable resins



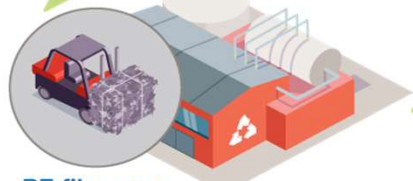
Product completion and distribution

**3 Streams of Resin**  
Virgin | PCR | Bio-PE

**\$70M Investment** supports circularity through ability to manufacture recyclable films and incorporate sustainable materials



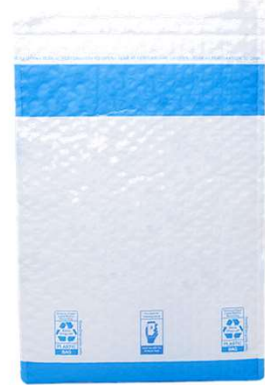
E-commerce products protected by engineered films



PE films are processed into PCR



Retail Film Collection



Online spending represents over **21%** of total retail sales

E-commerce sales were up **44%** in 2020

Expected CAGR '20-'27 **~15%**



# Taking Action : Innovation & Sustainability Is Driving Growth

Produced with  
**100%** natural  
**biodegradable**  
fibers



## J-Cloth® Plus Biodegradable

The first and only contact clearance certified biodegradable and compostable wipe. Produced with 100% natural biodegradable fibers and can be disposed of in green recycling bin after use.



## Innovation

in closures and designed for **circularity**



## Tethered Closures

Our CPI segment unveiled a range of closure designs that met EU legislation. These closures remain attached to the container throughout its intended use. All closures can be specified in a variety of colors with a choice of decoration options for enhanced branding and on-shelf appeal



## Booster-S

This new pre-compression, screw on, and sustainable dispensing trigger pump sprayer includes: a modern design with complete customization capabilities, improved ergonomics and made from fully recyclable plastic components.



**Innovation**  
in dispensing  
**light-weight**  
& recyclable



Made from up to

**95% PCR**

(post-consumer recycled) resins



## PCR Ambiente Deo 2000

We produce an oval deodorant stick containing 95% colored post-consumer recycled (PCR) content. This development underlined our ability to incorporate enhanced benefits into its advanced container designs, while it maintained the pack's performance, functionality, and on-shelf impact.





# Earnings Call - Key Takeaways

- Continued momentum, delivering record quarterly financial results
  - March '21 quarter organic volumes +5%
  - Adjusted EPS increase of +34% versus the PY; YTD up +55%
  - Operating EBITDA increase of +9% vs PY; YTD up +14%
- Continued focus on strategic priorities:
  - Organic growth
  - Leader in sustainability
  - Strengthening balance sheet (expect to be in our targeted range by the end of FY '21)
- Organic growth drivers:
  - ✓ Focus on growing end markets
  - ✓ Increased presence in emerging markets
  - ✓ Global value delivery
  - ✓ Sustainability
  - ✓ Growing substrate
- Raising FY '21 Operating EBITDA guidance by +\$50 million to \$2.25 Billion;  
Increasing full year organic volume growth assumption to +5%; expect LSD growth in 2H of FY21  
Maintained free cash flow guidance range of \$875-\$975M





# Q&A

**Second Fiscal Quarter 2021**

Earnings Conference Call

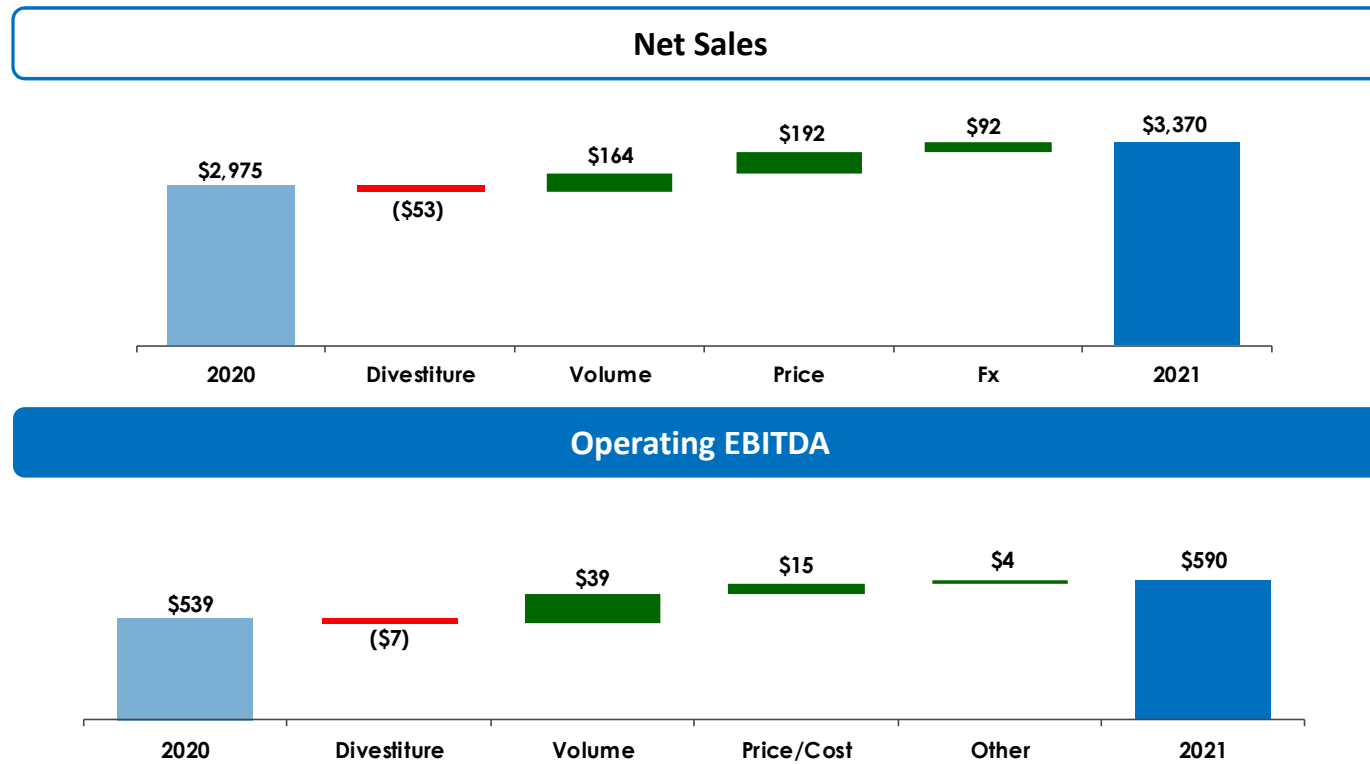


## Appendix: FY 2021 Guidance and Assumptions

	<b><u>Current Guidance</u></b>
FY 2020 EBITDA (Actual)	\$ 2,157
Divestiture	<u>(25)</u>
FY 2020 Comparable EBITDA	<u>2,132</u>
5% volume growth	118
Cost synergies	55
Mix benefit	25
Inflation and other	<u>(80)</u>
FY 2021 Operating EBITDA Guidance	<u>\$ 2,250</u>



# Appendix: Fiscal Q2 Net Sales and Operating EBITDA Bridge



Appendix:

## Sustainability at Berry

***Our sustainability led offerings, along with our breadth of portfolio and differentiation are clear growth opportunities***

### ***'Impact 2025' Commitments***

***100% reusable, recyclable or compostable packaging***

***10% recycled content across our packaging portfolio***

***Reduce GHG emissions by 25%***

***Reduce energy and water by 1% annually***

# Berry Leads Among Peers in Recycling Capacity and Access to Advanced Recycled Material





# Appendix: Segment Realignment

## Organic Growth Accelerator

### Consumer Packaging - International (CPI)

- + CPNA Healthcare (*creates Global Healthcare business*)
- European films (to EM)

### Consumer Packaging - North America (CPNA)

- Healthcare (to CPI)

### Health, Hygiene & Specialties (HHS)

- + Tapes (*synergies w/non-woven B&C products*)
- Divested U.S. Flexible packaging converting business

### Engineered Materials (EM)

- + European films (*creates Global Films business*)
- Tapes (to HHS)
- Divested U.S. Flexible packaging converting business

## Fiscal Year 2020 Net Sales and Operating EBITDA Changes for Segment Realignment

Net Sales	FQ1 '20	FQ2 '20	FQ3 '20	FQ4 '20	FY '20 Total
CPNA	\$ (69)	\$ (73)	\$ (74)	\$ (74)	\$ (290)
CPI	(80)	(125)	(116)	(86)	(408)
EM	80	130	129	93	431
HHS	69	68	61	67	266

Op. EBITDA	FQ1 '20	FQ2 '20	FQ3 '20	FQ4 '20	FY '20 Total
CPNA	\$ (14)	\$ (18)	\$ (19)	\$ (14)	\$ (65)
CPI	(1)	(9)	(10)	(9)	(29)
EM	(3)	11	16	6	29
HHS	18	16	13	17	64

## Fiscal Year 2020 Net Sales and Operating EBITDA Recasts for Segment Realignment

Net Sales	FQ1 '20	FQ2 '20	FQ3 '20	FQ4 '20	FY '20 Total
CPNA	\$ 611	\$ 633	\$ 644	\$ 672	\$ 2,560
CPI	930	970	904	985	3,789
EM	665	728	693	680	2,766
HHS	610	644	669	671	2,594
	\$ 2,816	\$ 2,975	\$ 2,910	\$ 3,008	\$ 11,709

Op. EBITDA	FQ1 '20	FQ2 '20	FQ3 '20	FQ4 '20	FY '20 Total
CPNA	\$ 107	\$ 133	\$ 140	\$ 146	\$ 526
CPI	141	166	174	193	674
EM	103	127	125	112	467
HHS	100	113	142	135	490
	\$ 451	\$ 539	\$ 581	\$ 586	\$ 2,157

# Non-GAAP Financial Measures

	Actual						Guidance Range	
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Cash flow from operations	\$637	\$857	\$975	\$1,004	\$1,201	\$1,530	\$1,575	\$1,675
Capital expenditures, net	(162)	(283)	(263)	(333)	(399)	(583)	(700)	(700)
Payment of tax receivable agreement	(39)	(57)	(111)	(37)	(38)	-	-	-
<b>Free cash flow</b>	<b>\$436</b>	<b>\$517</b>	<b>\$601</b>	<b>\$634</b>	<b>\$764</b>	<b>\$947</b>	<b>\$875</b>	<b>\$975</b>

# Non-GAAP Reconciliation

	Quarterly Period Ended April 3, 2021				
	Consumer Packaging - Int'l	Consumer Packaging - N.A.	Health, Hygiene & Specialties	Engineered Materials	Total
Net Sales	\$1,060	\$731	\$781	\$798	\$3,370
Operating income	\$59	\$77	\$114	\$83	\$333
Depreciation and amortization	87	54	42	29	212
Restructuring and transaction activities <sup>(1)</sup>	38	-	-	-	38
Other non-cash charges <sup>(2)</sup>	2	2	1	2	7
Operating EBITDA	\$186	\$133	\$157	\$114	\$590

	Quarterly Period Ended March 28, 2020				
	Consumer Packaging - Int'l	Consumer Packaging - N.A.	Health, Hygiene & Specialties	Engineered Materials	Total
Net Sales	\$970	\$633	\$644	\$728	\$2,975
Operating income	\$53	\$69	\$66	\$96	\$284
Depreciation and amortization	79	60	46	28	213
Restructuring and transaction activities <sup>(1)</sup>	14	3	1	1	19
Other non-cash charges <sup>(2)</sup>	20	1	-	2	23
Operating EBITDA	\$166	\$133	\$113	\$127	\$539

Note: All dollar amounts in millions. Unaudited

- (1) The current quarter primarily includes a loss on the sale divested businesses along with transaction activity costs related to the RPC acquisition. The prior year quarter primarily includes transaction activity costs related to the RPC acquisition.
- (2) Other non-cash charges for the March 2021 primarily includes stock compensation expense of \$7 million. The prior year quarter primarily includes a \$19 million inventory step-up related to the RPC acquisition and \$5 million of stock compensation expense.

# Non-GAAP Reconciliation

	Quarterly Period Ended		Four Quarters Ended
	April 3, 2021	March 28, 2020	April 3, 2021
<b>Net income</b>	<b>\$181</b>	\$126	<b>\$712</b>
Add: other expense (income), net	6	-	49
Add: interest expense, net	84	111	387
Add: income tax expense	62	47	200
<b>Operating income</b>	<b>\$333</b>	\$284	<b>\$1,348</b>
Add: non-cash amortization from 2006 private sale	6	6	24
Add: restructuring and transaction activities <sup>(1)</sup>	38	19	63
Add: other non-cash charges <sup>(2)</sup>	7	23	42
<b>Adjusted operating income <sup>(6)</sup></b>	<b>\$384</b>	\$332	<b>\$1,477</b>
Add: depreciation	139	136	548
Add: amortization of intangibles <sup>(3)</sup>	67	71	271
<b>Operating EBITDA <sup>(6)</sup></b>	<b>\$590</b>	\$539	<b>\$2,296</b>
Net income per diluted share	<b>\$1.32</b>	\$0.94	
Other expense (income), net	0.04	-	
Non-cash amortization from 2006 private sale	0.04	0.05	
Restructuring and transaction activities	0.28	0.14	
Other non-cash charges <sup>(4)</sup>	-	0.14	
Income tax impact on items above <sup>(5)</sup>	(0.09)	(0.08)	
<b>Adjusted net income per diluted share <sup>(6)</sup></b>	<b>\$1.59</b>	\$1.19	

Note: All dollar amounts in millions, except per share data. Unaudited  
\* See next page for footnote disclosures

## Non-GAAP Reconciliation (continued)

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- (2) Other non-cash charges for the March 2021 primarily includes stock compensation expense of \$7 million. The prior year quarter primarily includes a \$19 million inventory step-up related to the RPC acquisition and \$5 million of stock compensation expense.
- (3) Amortization excludes non-cash amortization from the 2006 private sale of \$6 million, \$6 million, and \$24 million, for the March 2021 quarter, March 2020 quarter, and four quarters ended April 3, 2021, respectively.
- (4) Represents an adjustment for a \$19 million inventory step-up charge related to the RPC acquisition in the prior year March 2020 quarter.
- (5) Income tax effects on adjusted net income is calculated using 25 percent for both the March 2021 and March 2020 quarters. The rates used represents the Company's expected effective tax rate for each respective period.
- (6) Supplemental financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures should not be considered as alternatives to operating or net income or cash flows from operating activities, in each case determined in accordance with GAAP. Organic sales growth excludes the impact of currency translation effects and acquisitions. These non-GAAP financial measures may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures. Berry's management believes that adjusted net income and other non-GAAP financial measures are useful to our investors because they allow for a better period-over-period comparison of operating results by removing the impact of items that, in management's view, do not reflect our core operating performance.

We define "free cash flow" as cash flow from operating activities less additions to property, plant, and equipment. We believe free cash flow is useful to an investor in evaluating our liquidity because free cash flow and similar measures are widely used by investors, securities analysts, and other interested parties in our industry to measure a company's liquidity. We also believe free cash flow is useful to an investor in evaluating our liquidity as it can assist in assessing a company's ability to fund its growth through its generation of cash.

Adjusted EBITDA is used by our lenders for debt covenant compliance purposes. We also use Adjusted EBITDA and Operating EBITDA among other measures to evaluate management performance and in determining performance-based compensation. Adjusted EBITDA and Operating EBITDA and similar measures are widely used by investors, securities analysts, and other interested parties in our industry to measure a company's performance. We also believe EBITDA and Adjusted net income are useful to an investor in evaluating our performance without regard to revenue and expense recognition, which can vary depending upon accounting methods.



**Dustin M. Stilwell**  
Director, Head of Investor Relations



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